

ORDINANCE NO. 024-17

AN ORDINANCE AMENDING
ORDINANCE NO. 023-118 TO
AUTHORIZE UP TO \$9 MILLION FOR
STIPENDS TO ENCOURAGE
PROPOSALS FOR THE RED LINE
EXTENSION PROJECT DESIGN-
BUILD CONTRACT

WHEREAS, The Chicago Transit Authority (“Authority”) is undertaking a project to build stations and rail infrastructure on the Red Line, also known as the Red Line Extension Project (the “Project”); and

WHEREAS, The Project will extend the Red Line from the existing terminal at 95th/Dan Ryan to 130th Street and include four new stations near 103rd Street, 111th Street, Michigan Avenue, and 130th Street, with multimodal connections at each station including bus, bike, pedestrian, and park & ride facilities; and

WHEREAS, The Project will reduce commute times for residents, improve mobility and accessibility, and foster economic development, where stations may serve as catalysts for neighborhood revitalization; and

WHEREAS, The Authority is undertaking a two-step procurement process for the design-build contract for the Project in which interested contractors first submit their qualifications and then those deemed most qualified by the Authority (the “Proposers”) are invited to submit proposals; and

WHEREAS, On September 8, 2023, the Authority issued a Request for Proposals (RFP) to the three shortlisted Proposers for the design-build contract for the Project under Requisition No. C22FT102829986; and

WHEREAS, On October 13, 2023, the Transit Board authorized the President of the Authority, or his designee, to execute agreements to pay up to two (2) responsible shortlisted Proposers which submit responsive proposals and meet all other requirements, as determined by the Vice President, Purchasing and Supply Chain, but are not awarded the design-build contract for the Project an amount of Three Million Dollars (\$3,000,000.00) per Proposer for a total of up to Six Million Dollars (\$6,000,000.00) in the aggregate, per Ordinance No. 023-118; and

HEREAS, Staff recommends increasing the stipend amount to Four Million Five Hundred Thousand Dollars (\$4,500,000.00) per Proposer, for a total of up to Nine Million Dollars (\$9,000,000.00) in the aggregate, due to additional scope developments, Project time extensions, and current construction market conditions since the RFP was first issued; and

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WHEREAS, It is customary and in accordance with industry best practices on large design-build projects to pay a stipend to shortlisted proposers which submit compliant proposals but are not ultimately awarded the contract, to encourage innovative engineering and allow the party undertaking the project to acquire the rights to such innovative engineering; and

WHEREAS, It is in the best interest of the Authority to pay a stipend to responsible shortlisted Proposers which are not awarded the design-build contract for the Project but submit proposals that are responsive, meet the stipend agreement terms, and all other RFP requirements; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chicago Transit Board hereby amends Ordinance No. 023-118 to increase the amount of the stipend awarded to responsible shortlisted Proposers which submit responsive proposals that meet all requirements but are not awarded the design-build contract for the Project from Three Million (\$3,000,000.00) per Proposer to Four Million Five Hundred Thousand Dollars (\$4,500,000.00) per Proposer, for an increase in the total aggregate amount of stipends from Six Million Dollars (\$6,000,000.00) to Nine Million Dollars (\$9,000,000.00).

SECTION 2. The President of the Authority, or his designee, is authorized to execute agreements to pay all responsible shortlisted Proposers which submit responsive proposals and meet all requirements, as determined by the Vice President, Purchasing and Supply Chain, but are not awarded the design-build contract for the Project an amount of Four Million Five Hundred Thousand Dollars (\$4,500,000.00) per Proposer for a total aggregate amount of up to Nine Million Dollars (\$9,000,000.00).

SECTION 3. The Chairman of the Board and the President of the Authority, or their designees, are further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

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APPROVED:

Chairman

February 14, 2024

PASSED:

Secretary

February 14, 2024